



Chapel Hill, Tennessee 37034

August 17, 2004

04 18 AM 10 23

3 TN REGULATORY AUTHORITY
DOCKET ROOM

Ms. Darlene Standley, Chief
Telecommunications Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

2004-0700/Docket 04-00173

Dear Ms. Standley:

The accompanying tariff material is submitted to replace the June 18, 2004 filing for approval by the Tennessee Regulatory Authority. These tariff revisions consist of the following pages:

United Telephone Company
General Exchange Service Tariffs

Section II

A2. Service Charges

Content Pages

2nd Revised Sheet 8 Replaces 1st Revised Sheet 8
2nd Revised Sheet 10 Replaces 1st Revised Sheet 10
5th Revised Sheet 11 Replaces 4th Revised Sheet 11

Section II

U32. Integrated Services Digital Network (ISDN)

Content Pages

1st Revised Sheet 4 Replaces Original Sheet 4

Upon approval, please forward us a stamped copy of these tariff pages.

Sincerely,

Herbert R. Bivens
General Manager

Enclosures

United Telephone Company
Annual Revenue Impact of the Proposed Rate Changes
Submitted August 17, 2004

Type of Order	Quantity	Current		Proposed		Revenue Increase
		Rate	Revenue	Rate	Revenue	
Installation	2805	25 50	71,527 50	44.50	124,822 50	
Outside Move	432	25.50	11,016 00	44 50	19,224 00	
Add Feature	466	17 50	8,155 00	24.50	11,417 00	
Number Change	243	17 50	4,252 50	24.50	5,953 50	
Reconnect	2505	17 50	43,837 50	25 00	62,625 00	
Return Check	316	10.00	3,160 00	25 00	7,900 00	
			<u>\$141,948 50</u>		<u>\$231,942 00</u>	\$ 89,993 50
ISDN Lines	128	101 00	155,136 00	51 00	78,336 00	
					<u>(76,800 00)</u>	\$ 13,193 50

United Telephone Company
Annual Earnings Impact of the Proposed Rate Changes
Submitted August 17, 2004

Proposed increase in Revenue	\$	13,193 50	
Less Taxes		<u>5,277.40</u>	
Adjusted Net Increase	\$	7,916 10	
* Rate Base			\$ 45,171,937 00
* Rate of Return			7 28%
Change in Rate of Return			<u>0 02%</u>
Effective Rate of Return with proposed rate change			7 30%
Authorized Rate of Return			<u>7 87%</u>
Based on these projections, United is below the authorized rate of return			-0 57%

* Rate Base & Rate of Return taken from PSC 3 01 April 2004, page 3

United Telephone Company
Justification as to why the proposed rate changes are necessary
Submitted August 17, 2004

To better reflect the actual cost of providing the job functions that provide these services. Such as equipment, vehicle, and fuel cost that have increased in recent years. The current service order rates have been in effect since January 1, 1987 and do not reflect actual costs for providing these services. The costs to provide these services have doubled since January 1, 1987. Based on our conclusion, the proposed rates will provide additional cost recovery for the company without exceeding the authorized rate of return.

To provide a more comparable rate that will provide an incentive for customers to retain their current ISDN line/lines. In the long run it would be better to retain the shrinking ISDN customer base at a lower rate than lose them altogether. Based on our conclusion, the proposed rate reduction will also offset the proposed increase in non-recurring charges without exceeding the authorized rate of return.

GENERAL EXCHANGE SERVICES TARIFF

A2. SERVICE CHARGES

UNITED TELEPHONE COMPANY
CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
2nd REVISED SHEET 8

A2.1 Definitions

The term Service Charge as specified herein and in other schedules of this Subscriber Service Tariff is defined as a non-recurring charge or charges applying to the ordering, installing, moving, changing rearranging or furnishing of telecommunications service, miscellaneous and supplemental equipment and other telephone facilities. Service Charges are categorized as (a) Service Ordering Charge, (b) Central Office Line Connection Charge, and (c) Premises Visit Charge

(T)

(a) SERVICE ORDERING CHARGE

The term service ordering charge means the charge that applies per customer request for work performed by the Telephone Company in connection with the receiving, recording and processing of customer requests for service to be completed for the same account, at the same premises, at the same time.

(b) CENTRAL OFFICE LINE CONNECTION CHARGE

The term central office line connection charge means the charge that applies for arranging an exchange line to provide service between the central office and the customer's premises. The charge applies for work including but not limited to:

- (1) Making and changing connections in the central office.
- (2) Making and changing connections in distribution facilities between the central office and the customer's premises, including necessary cross connections and line and station transfers.

(c) PREMISES VISIT CHARGE

The term premises visit charge means the charge that applies for a visit to the customer's premises to perform work, other than disconnect work, requested by the customer. When more than one visit is necessary, for Telephone Company reasons, to complete the work, only one premises visit charge applies.

ISSUED August 17, 2004
EFFECTIVE September 6, 2004

By 
Herbert R. Bivens, General Manager
UNITED TELEPHONE COMPANY

GENERAL EXCHANGE SERVICE TARIFF

A2. SERVICE CHARGES (Continued)

UNITED TELEPHONE COMPANY
CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
2nd REVISED SHEET 10

A2.2 Regulations

Service charges are in addition to all other rates and charges that may be applicable for service and equipment provided by the telephone company.

A2.3 Schedule of Charges

A2.3.1 Rates and Charges

A Service Order Charge, per customer request.

		<u>Service Charge</u>		
		<u>Residence</u>	<u>Business</u>	
1	For connecting new or additional central office lines, moving or changing existing service and adding new or additional service	\$12 50	\$12 50	(I)
2	Central office line connection charge, per central office line or trunk	12.00	12.00	(I)
3	Premise visit charge, per customer request.	20.00	20.00	(I)

A2.4. Reconnect Charge

When a Subscriber's service has been temporarily suspended/disconnected, as in the case of failure to pay the bill on demand, a reconnect charge shall apply (T)

Reconnect Charge. \$25 00 (I)

ISSUED August 17, 2004

EFFECTIVE September 6, 2004

By Herbert R. Bivens
Herbert R. Bivens, General Manager
UNITED TELEPHONE COMPANY

GENERAL EXCHANGE SERVICE TARIFFS

A2. SERVICE CHARGES (Continued)

UNITED TELEPHONE COMPANY
CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
5th REVISED SHEET 11

A2.5. Payment for Service

(C)

- A The subscriber is required to pay all charges for equipment, exchange services and facilities, and for toll messages (including charges for messenger service) in accordance with provisions contained elsewhere in these General Rules and Regulations. The subscriber is held responsible for all charges for telephone service rendered at his telephone, both exchange and toll, including charges for toll messages on which the charges have been reversed. All charges due by the subscriber are payable at the Telephone Company's Business Office or at any agency duly authorized to receive such payments. If the subscriber does not pay or dispute the bill by the due date, the telephone company may send out a late notice and consider the account for disconnection of service(s). If the subscriber disputes a bill, the Telephone Company will investigate the bill and take appropriate action(s).
- B. The customer shall pay monthly in advance or on demand all charges for service, equipment, long distance charges, local message charges or billed local usage. The customer is responsible for payment of all charges for services furnished the customer, including charges for services originated or charges accepted at the customer's premises.
- C. Late Payment Charge
1. A late payment charge of ten percent (10%) for residence and business customers may be charged for all exchange services and facility charges including services provided by a third party and billed on the Telephone Company bill.
 2. Late payment charges will be applied to the unpaid balance of each customer's bill when the previous month's bill has not been paid in full prior to the next billing date.
 3. Nonpayment of a late payment charge shall not be the sole cause for denial or termination of a customer's local exchange service.
 4. The late payment charge will not apply to:
 - a. Lifeline customers,
 - b. Any unpaid balance disputed or contested by the customer, including any applicable taxes, fees or charges directly related to the disputed amount; and
 - c. Previous unpaid late payment charges
- G. Should service be suspended for nonpayment of charges, it will be restored upon payment of the charges applicable for restoration of service as provided in Section A2 of this Tariff
- H In its discretion, the Telephone Company may restore or reestablish service which has been suspended or disconnected for nonpayment of charges prior to payment of all charges due. Such restoration or reestablishment shall not be construed as a waiver of any such or other charges due and unpaid or for the violation of the provision of this Tariff, nor shall the failure to suspend or disconnect service for nonpayment of any past due account or accounts operate as a waiver to suspend or disconnect service for nonpayment of such account or of any other past due account
- I. An administrative charge will be applied by the Telephone Company whenever a check or bank draft presented for payment for service is not accepted by the institution on which it is written

(C)

1. Returned check/bank draft

a) Each

Rate
\$25.00

(I)

- J. Residence subscribers with overdue bill balances for their existing service, which has been temporarily suspended for nonpayment, who are unable to pay the charges in full may be allowed to retain their local service if they elect to have a full toll restriction placed on their existing service, at no charge, until the charges are paid. These customers may arrange to pay the outstanding balance in up to twelve (12) monthly installment payments

ISSUED August 17, 2004

EFFECTIVE September 6, 2004

By 
Herbert R. Bivens, General Manager
UNITED TELEPHONE COMPANY

GENERAL EXCHANGE SERVICES TARIFF
SECTION II

UNITED TELEPHONE COMPANY
CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
1st Revised Page 4

U32. INTEGRATED SERVICES DIGITAL NETWORK (ISDN)

U32.1 ISDN - Business Service (Cont'd)

U32.1.4 Rates and Charges

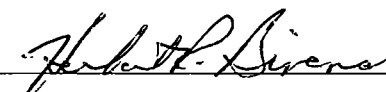
A Interoffice

Plan		Installation Charge	Month to Month	Rate Stability		
				Monthly Rate 24 - 59 Mos. Plan	Monthly Rate 60 - 120 Mos	
1	Per DSL Circuit					
a	Each, including first mile	\$240 00	\$115 00	\$105 00	\$95 00	
b	Each additional mile		45	40	35	
B Interface						
1	Basic Rate Digital Subscriber Line Access					
(a)	ISDN Access		35 00	35 00	35 00	(R)
(b)	ISDN Access (for use with High Speed Packet)		35 00	35 00	35 00	
2	Channels Activated					
a	"B" Channel (Maximum of 2) ¹					
(1)	Circuit Switched Voice/Data, Each					
(a)	Flat Rate		6 25	3 25	1 25	(R)
(b)	Measured		6 50	5 30	4 10	
(2)	Permanent High Speed Packet					
(a)	each		120 00	110 00	100 00	
(3)	On-Demand High Speed Packet					
(a)	each		110 00	90 00	80 00	
b	"D" Channel (Maximum of 1)					
(1)	Low Speed Packet as a single service					
(a)	one only		3 50	2 50	2 00	(R)
(2)	Low Speed Packet with a "B" channel service					
(a)	each		3 50	2 50	2 00	(R)

Note 1: On-Demand High Speed Packet "B" channel requires both Circuit Switched Voice/Data and On-Demand High Speed Packet to indicate one activation

ISSUED. August 17, 2004

EFFECTIVE. September 6, 2004

BY 
Herbert R. Bivens, General Manager
UNITED TELEPHONE COMPANY